

IC PURCHASE CARD COORDINATOR MEETING MINUTES

March 2, 2005

ATTENDEES:

NIH Purchase Card Program Office

Georgiann Wilson

John Best

Nancy Davis

Teresa Arnold

IC Coordinators & Representatives

Debbie Britton - CC

Cliff Ross- CC

Edith Smith – CIT

Sonya Thomas - FIC

Kathleen Hargett – NCI

Donna Brooks- NCMHD

Mike Philippi – NHGRI

Jim Mitchell – NHLBI

Shelia Zichos – NIA (GRC)

Ramona Conroy- NIA (GRC)

Anthony Pirrone- NIA

Pat Parks – NIAAA

Rebecca A. Guenther– NIAID

Rosie Owens- NIAID

Valerie Green- NIAMS

Inez Demery – NICHD

Traci Pelan- NIDA

Anne Sumner – NIDCD

Patricia Barton- NIDDK(Extramural)

Candice Scott for A. *Ferreira* -NINR

Charles Baron – OD

Guest Speaker's

Mr. Craig Durkin/Jefferson Solution

NBS/Allyson Brown, Jim Marx, Dorann Penney

Agenda items as discussed were as follows:

Guest Speaker Mr. Craig Durkin, Jefferson Solutions:

The Office of Logistics and Acquisition Operations (OLAO) consulted with a private contractor, Mr. Craig Durkin of Jefferson Solutions, to evaluate the Purchase Card program. The focus of Mr. Durkin's presentation to the IC Purchase Card Coordinators was how best to provide cost effective management and oversight to the PC program. Mr. Durkin stated that looking at the Government Accountability Office (GAO) audit report findings are good indicators of which direction the PC program should take. Mr. Durkin also mentioned that fraud in procurement was not given enough attention and that proper controls must be implemented on a permanent basis to guard against fraud in procurement. Mr. Durkin stressed however that controls must always be there but must not hinder the procurement process. Mr. Durkin's presentation suggested that strategic purchasing and identifying opportunities with reputable vendors whom provide discount opportunities should be given more attention. Jefferson Solutions was also tasked with examining the review portion of the program. Craig Durkin interjected that besides just auditing; data mining would be maximized thereby allowing more technical analysis of raw data. Instead of going out to perform audits analyst could be more selective in transactions they review. The goal would be a better planned approach to audits each year. The presentation ended.

Guest Speaker Ms. Allyson Browne, Mr. Jim Marx and Dorann Penney New Business System:

Ms. Allyson Browne and Mr. Jim Marx greeted the meeting attendees. Ms. Browne provided a NIH Business System (NBS) Update handout the presentation was a project overview with no specifics, mainly where the New Business System (NBS) was currently in terms of Track completions. NBS will be a seamless integrated system which will handle most of the administrative functions of NIH. The Travel and the Financial Tracks, 1 and 2 were deployed September 2003 and October 2003 respectively. Track 4, Acquisition, Purchase Card System (P-Card System) is estimated to deploy early FY2006. P-card users would have to utilize an electronic log which is optional but will eventually be mandatory.

Jim Marx stated that Oracle software is an off the shelf commercial buy and does not communicate with Federal Government systems. The software had to be created and has been two years in development to accommodate federal government systems. Health And Human Services has looked into this system also. The electronic log is the most versatile and economical of the logs as non-electronic logs require side systems to be built which causes considerable financial investment. Electronic logs commit and obligate funds right away with no option to dump cash in separate accounts, it commits as you go along.

A demonstration of the system by heavy volume cardholders was suggested. All IC Purchase Card Coordinators are requested to email the names of eight or nine super users (300 orders a month or more) to the purchase card program attention John Best; BestJ@od.nih.gov.

A potential scenario was put forth. What would happen if someone forgot to enter a purchase in the system?

The system would allow for a person to go back and enter the purchase. The system would not recognize the entry as being late. Late entry of a purchase may become a Purchase Card policy in the near future. It was suggested that IC Coordinators began to share this information with their respective cardholders. A question regarding increased rebates rates was also submitted. Jim Marx stated that an increase may occur if NIH decides to pay daily.

OMB Circular:

The most notable change to the circular was primarily in section 6.1. This section highlighted major changes regarding new applications for government purchase cards. Applicants will soon have to go through credit checks and have credit scores evaluated the same way personal credit cards are handled. Current cardholders would be grandfathered in. Comments may be emailed to John Best – BestJ@od.nih.gov.

1099 issue:

The failure of reporting IRS 1099 information has become an issue. Payment(s) totaling \$600.00 or more in a calendar year must be reported to the Office of Financial Management (OFM). Cardholders issuing convenience checks to recipients were not reporting information nor were they instructing convenience check recipients to report incomes either. IC Purchase Card Coordinators were asked to go back to respective cardholders to obtain this information from fiscal year 2004 and provide John Slovikosky of OFM, with the information. The 1099 information is automatically captured with an electronic log. Cardholders were instructed to turn in convenience checks if they were not using them.

NEW PC application:

A sample of the new Purchase Card application was handed out to the meeting attendees. The program desired to know the diversity of the program such as lower grade level versus higher grade level cardholders. A survey went out to identify the purchase card client base. The first survey went out with a sensitive turn around time. This caught the community off guard and did not convey the purpose of the survey. A second survey was sent out providing a little more information and a few more participants responded than did with the previous survey. The new application will now capture this information. The application must be filled out completely or the applicant will not receive a purchase card. The form will be available on line as a template which may be emailed after completion to Nancy Davis. The effective date for the new form will be April 1st.

Around the table:

Frequency of the meetings was put forth to the coordinators. Suggestions may be emailed to John Best.

Jim Marx insisted that everyone needed to take the NBS training regardless of title.

Another question was asked if a card was canceled would the new applicant have to go thru a credit check. Yes the new applicant would have to subject to a credit check.

The meeting was adjourned.